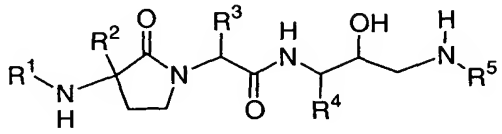
What is claimed is:

1. A compound of Formula (I)



(I)

or a stereoisomer; or a pharmaceutically acceptable salt thereof, wherein

$R^1$ is selected from the group consisting of $-C(=O)R^{1a}$, $-S(=O)R^{1a}$, $-S(=O)_2R^{1a}$, $-C(=O)OR^{1a}$, $-C(=O)NHR^{1a}$, and $C_1$-$C_6$ alkyl optionally substituted with $R^{1b}$;

$R^{1a}$ is $C_1$-$C_6$ alkyl optionally substituted with $R^{1b}$;

$R^{1b}$ is independently selected from the group consisting of halogen, $-CF_3$, $-OCF_3$, $-CO_2R^6$, $-C(=O)NR^6R^6$, $-NR^6C(=O)R^6$, $-NR^6R^6$, $-NR^6SO_2R^6$, $-C(=O)R^6$, $-S(=O)R^6$, $-SO_2R^6$, $-SO_2NR^6R^6$, $-SR^6$, $-S(C_1$-$C_4$ haloalkyl), $-OR^6$, $-O(C_1$-$C_4$ haloalkyl), $-(C_3$-$C_7)$cycloalkyl, -imidazole, -thiazole, -oxazole, $-(C_2$-$C_6)$alkenyl, and $-(C_2$-$C_6)$alkynyl;

$R^2$ is selected from the group consisting of $C_1$-$C_4$ alkyl, $C_2$-$C_4$ alkenyl, $C_2$-$C_4$ alkynyl, and

$C_3$-$C_6$ cycloalkyl in which each group is optionally substituted with halogen, $-CF_3$, $-OCF_3$, $-CH_3$, $-CH_2CH_3$, $-OCH_3$, $-OCH_2CH_3$, or $-(C_3$-$C_7)$cycloalkyl;

$R^3$ is selected from the group consisting of $C_1$-$C_4$ alkyl, $C_2$-$C_4$ alkenyl, and $C_2$-$C_4$ alkynyl optionally substituted with $R^{3a}$, or phenyl optionally substituted with $R^{3b}$;

$R^{3a}$ is selected from the group consisting of $R^{3b}$, $C_3$-$C_6$ cycloalkyl optionally substituted with $R^{3b}$, phenyl optionally substituted with $R^{3b}$, and 3,4-methylenedioxyphenyl;

$R^{3b}$ is independently selected at each occurrence from the group consisting of halogen, $-NO_2$, $-CN$, $-C_1$-$C_4$alkyl, $-OH$, $-OCH_3$, $-OCH_2CH_3$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-C(=O)R^6$, $-NR^6C(=O)R^6$, $-NR^6SO_2R^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$;

$R^4$ is selected from the group consisting of $C_1$-$C_4$ alkyl, $C_2$-$C_4$ alkenyl,and $C_2$-$C_4$ alkynyl optionally substituted with $R^{4a}$;

$R^{4a}$ is selected from $R^{4b}$, or phenyl optionally substituted with $R^{4b}$;

$R^{4b}$ is selected from the group consisting of halogen, $-NO_2$, $-CN$, $-NCS$, $-CH_3$, $-CH_2CH_3$, $-CH_2CH_2CH_3$, $-CH(CH_3)_2$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-OH$, $-OCH_3$,

$-OCH_2CH_3$, $-SH$, $-SCH_3$, $-SCH_2CH_3$, $-CO_2H$, $-CO_2CH_3$, $-CO_2CH_2CH_3$, $-NH_2$, $-NH(CH_3)$, $-N(CH_3)_2$, $-C(=O)NH_2$, $-C(=O)NH(CH_3)$, $-C(=O)N(CH_3)_2$, $-C(=O)H$, $-C(=O)CH_3$, $-NHC(=O)CH_3$, and $-NHSO_2CH_3$;

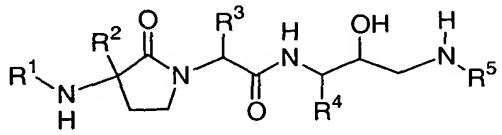
$R^5$ is $C_1$-$C_{10}$ alkyl optionally substituted with $R^{5a}$;

$R^{5a}$ is selected from the group consisting of $R^{5b}$, $C_3$-$C_8$ cycloalkyl, $C_2$-$C_6$ alkenyl, $C_2$-$C_6$ alkynyl, and phenyl optionally substituted with $R^{5b}$;

$R^{5b}$ is selected from the group consisting of $R^6$, halogen, $-CN$, $-CF_3$, $-NO_2$, $-NCS$, $-OCF_3$, $-CO_2H$, $-C(=O)H$, $-OR^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$; and

$R^6$ is independently selected at each occurrence from the group consisting of hydrogen, $C_1$-$C_6$ alkyl and phenyl.

2. The compound of Claim 1 having the Formula (I)



(I)

or a stereoisomer; or a pharmaceutically acceptable salt thereof, wherein

$R^1$ is selected from the group consisting of $-C(=O)R^{1a}$, $-S(=O)R^{1a}$, $-S(=O)_2R^{1a}$, $-C(=O)OR^{1a}$, and $-C(=O)NHR^{1a}$;

$R^{1a}$ is $C_1$-$C_6$ alkyl optionally substituted with $R^{1b}$;

$R^{1b}$ is independently selected from the group consisting of halogen, $-CF_3$, $-OCF_3$, $-CO_2R^6$, $-C(=O)NR^6R^6$, $-NR^6C(=O)R^6$, $-NR^6R^6$, $-OR^6$, -(C3-C7)cycloalkyl, -imidazole, -thiazole, -oxazole, $-(C_2$-$C_6)$alkenyl, and $-(C_2$-$C_6)$alkynyl;

$R^2$ is selected from the group consisting of $C_1$-$C_4$ alkyl, $C_2$-$C_4$ alkenyl, $C_2$-$C_4$ alkynyl, and $C_3$-$C_6$ cycloalkyl in which each group is optionally substituted with halogen, $-CF_3$, $-OCF_3$, $-CH_3$, $-CH_2CH_3$, $-OCH_3$, $-OCH_2CH_3$, or $C_3$-$C_7$ cycloalkyl;

$R^3$ is $C_1$-$C_4$ alkyl optionally substituted with $R^{3a}$;

$R^{3a}$ is selected from the group consisting of $R^{3b}$, $C_3$-$C_6$ cycloalkyl optionally substituted with $R^{3b}$, phenyl optionally substituted with $R^{3b}$, and 3,4-methylenedioxyphenyl;

$R^{3b}$ is independently selected at each occurrence from the group consisting of halogen, $-NO_2$, $-CN$, $-C_1$-$C_4$alkyl, $-OH$, $-OCH_3$, $-OCH_2CH_3$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-C(=O)R^6$, $-NR^6C(=O)R^6$, $-NR^6SO_2R^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$;

$R^4$ is $C_1$-$C_4$ alkyl optionally substituted with $R^{4a}$;

$R^{4a}$ is $R^{4b}$ or phenyl optionally substituted with $R^{4b}$;

$R^{4b}$ is selected from the group consisting of halogen, $-NO_2$, $-CN$, $-NCS$, $-CH_3$, $-CH_2CH_3$, $-CH_2CH_2CH_3$, $-CH(CH_3)_2$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-OH$, $-OCH_3$, $-OCH_2CH_3$, $-SH$, $-SCH_3$, $-SCH_2CH_3$, $-CO_2H$, $-CO_2CH_3$, $-CO_2CH_2CH_3$, $-NH_2$, $-NH(CH_3)$, $-N(CH_3)_2$, $-C(=O)NH_2$, $-C(=O)NH(CH_3)$, $-C(=O)N(CH_3)_2$, $-C(=O)H$, $-C(=O)CH_3$, $-NHC(=O)CH_3$, and $-NHSO_2CH_3$;

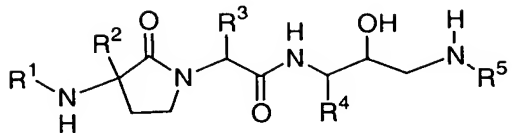
$R^5$ is $C_1$-$C_{10}$ alkyl optionally substituted with $R^{5a}$;

$R^{5a}$ is selected from the group consisting of $R^{5b}$, $C_3$-$C_8$ cycloalkyl, $C_2$-$C_6$ alkenyl, $C_2$-$C_6$ alkynyl optionally substituted with $R^{5b}$, and phenyl optionally substituted with $R^{5b}$;

$R^{5b}$ is selected from the group consisting of $R^6$, halogen, $-CN$, $-CF_3$, $-NO_2$, $-NCS$, $-OCF_3$, $-CO_2H$, $-C(=O)H$, $-OR^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$; and

$R^6$ is independently selected at each occurrence from the group consisting of hydrogen, $C_1$-$C_6$ alkyl and phenyl.

3. The compound of Claim 2 having the Formula (I)



(I)

or a stereoisomer; or a pharmaceutically acceptable salt thereof, wherein

$R^1$ is selected from the group consisting of $-C(=O)R^{1a}$, $-S(=O)R^{1a}$, $-S(=O)_2R^{1a}$, $-C(=O)OR^{1a}$, and $-C(=O)NHR^{1a}$;

$R^{1a}$ is $C_1$-$C_6$ alkyl optionally substituted with $R^{1b}$;

$R^{1b}$ is independently selected from the group consisting of halogen, $-CF_3$, $-OCF_3$, $-CO_2R^6$, $-C(=O)NR^6R^6$, $-NR^6C(=O)R^6$, $-NR^6R^6$, $-OR^6$, -(C3-C7)cycloalkyl, -imidazole, -thiazole, -oxazole, $-(C_2$-$C_6)$alkenyl, and $-C_2$-$C_6)$alkynyl;

$R^2$ is selected from the group consisting of $C_1$-$C_4$ alkyl, $C_2$-$C_4$ alkenyl, $C_2$-$C_4$ alkynyl, and $C_3$-$C_6$ cycloalkyl in which each group is optionally substituted with halogen, $-CF_3$, $-OCF_3$, $-CH_3$, $-CH_2CH_3$, $-OCH_3$, $-OCH_2CH_3$, and $C_3$-$C_7$ cycloalkyl;

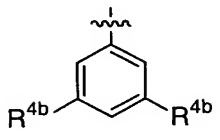
$R^3$ is $C_1$-$C_4$ alkyl optionally substituted with $R^{3a}$;

$R^{3a}$ is selected from the group consisting of $R^{3b}$, $C_3$-$C_6$ cycloalkyl optionally substituted with $R^{3b}$, phenyl optionally substituted with $R^{3b}$, and 3,4-methylenedioxyphenyl;

$R^{3b}$ is independently selected at each occurrence from the group consisting of halogen, $-NO_2$, $-CN$, $-(C_1-C_4)$alkyl, $-CF_3$, $-OH$, $-OCH_3$, $-OCH_2CH_3$, $OCF_3$, $-SCF_3$, $-C(=O)R^6$, $-NR^6C(=O)R^6$, $-NR^6SO_2R^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$;

$R^4$ is $C_1-C_4$ alkyl substituted with $R^{4a}$;

$R^{4a}$ is selected from the group consisting of



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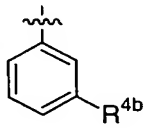
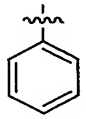


and

;

$R^{4b}$ is selected from the group consisting of F, Cl, Br, $-CH_3$, $-CH_2CH_3$, $-CF_3$, $-OCF_3$, $-SCF_3$, $-OH$, $-OCH_3$, $-SH$, $-SCH_3$, $-CO_2H$, $-CO_2CH_3$, $-NH_2$, $-NH(CH_3)$, $-N(CH_3)_2$, $-C(=O)NH_2$, $-C(=O)CH_3$, and $-NHC(=O)CH_3$;

$R^5$ is $C_1-C_{10}$ alkyl optionally substituted with $R^{5a}$;

$R^{5a}$ is selected from the group consisting of

$R^{5b}$,

$C_3-C_8$ cycloalkyl optionally substituted with $R^{5b}$,

$C_2-C_6$ alkynyl optionally substituted with $R^{5b}$, and

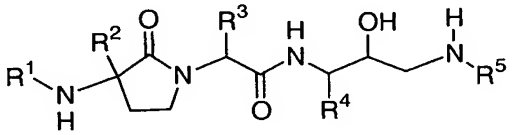
phenyl optionally substituted with $R^{5b}$;

$R^{5b}$ is selected from the group consisting of $R^6$, halogen, $-CN$, $-CF_3$, $-NO_2$, $-OCF_3$, $-CO_2H$, $-C(=O)H$,

$-OR^6$, $-NR^6R^6$, $-OC(=O)NR^6R^6$, $-NR^6C(=O)NR^6R^6$, $-C(=O)NR^6R^6$, $-C(=O)OR^6$, $-SR^6$, $-S(=O)R^6$, $-S(=O)_2R^6$, and $-S(=O)_2NR^6R^6$; and

$R^6$ is independently selected at each occurrence from the group consisting of hydrogen, $C_1$-$C_6$ alkyl and phenyl.

4. The compound of Claim 3 having the Formula (I)



(I)

or a stereoisomer; or a pharmaceutically acceptable salt thereof, wherein

$R^1$ is selected from the group consisting of $-C(=O)R^{1a}$, $-S(=O)R^{1a}$, $-S(=O)_2R^{1a}$, $-C(=O)OR^{1a}$, and $-C(=O)NHR^{1a}$;

$R^{1a}$ is $C_1$-$C_6$ alkyl optionally substituted with $R^{1b}$;

$R^{1b}$ is independently selected from the group consisting of halogen, $-CF_3$, $-OCF_3$, $-NR^6R^6$, $-OR^6$, $-(C_3$-$C_7)$cycloalkyl, -imidazole, thiazole, and oxazole;

$R^2$ is selected from the group consisting of $C_1$-$C_4$ alkyl optionally substituted with halogen, $-CF_3$, $-OCH_3$, $-OCH_2CH_3$, or $C_3$-$C_7$ cycloalkyl;

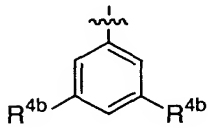
$R^3$ is $C_1$-$C_4$ alkyl optionally substituted with $R^{3a}$;

$R^{3a}$ is selected from the group consisting of phenyl optionally substituted with $R^{3b}$, and 3,4-methylenedioxyphenyl;

$R^{3b}$ is independently selected at each occurrence from the group consisting of F, Cl, $R^6$, $-CF_3$, OH, $-OCH_3$, $-OCH_2CH_3$, and $-NR^6R^6$;

$R^4$ is $C_1$-$C_4$ alkyl substituted with $R^{4a}$;

$R^{4a}$ is selected from the group consisting of



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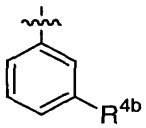
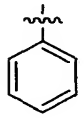


and

;

$R^{4b}$ is selected from the group consisting of F, Cl, Br, $-CH_3$, $-CF_3$, -OH, $-OCH_3$, $-NH_2$, $-NH(CH_3)$, and $-N(CH_3)_2$;

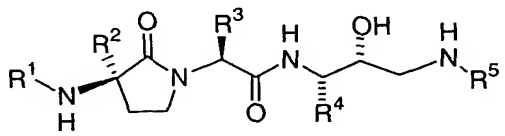
$R^5$ is $C_1$-$C_2$ alkyl optionally substituted with $R^{5a}$;

$R^{5a}$ is selected from the group consisting of $R^{5b}$, $C_3$-$C_4$ cycloalkyl optionally substituted with $R^{5b}$, alkynyl, and phenyl optionally substituted with $R^{5b}$;

$R^{5b}$ is selected from the group consisting of $R^6$, F, Cl, -CN, $-OR^6$, and $-NR^6R^6$; and

$R^6$ is independently selected at each occurrence from the group consisting of hydrogen, $C_1$-$C_6$ alkyl and phenyl.

5. The stereoisomer compound of Claim 4 having the Formula (Ia)



(Ia)

or a pharmaceutically acceptable salt thereof.

6. The compound of Claim 1 of selected from the group consisting of

(2S)-2-(3(S)-Acetylamino-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-(3,5-difluoro-benzyl)-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-Acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-Acetylamino-3(-cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-(2(S)-amino-5-carboxypentanoylamino)-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S,2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-(2-methoxy-acetylamino)-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-propionylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-ethoxycarbonylamino-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-methoxycarbonylamino-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-ethylureido-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-(3-hydroxypropionylamino)-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-(4-hydroxybutyrylamino)-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-(isobutyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-methoxy-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-chloro-benzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(propargylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3,5-difluorobenzylamino)-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-sec-butyl)-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-((3-trifluoromethylbenzyl)amino)-propyl]-4-phenyl-butyramide;

2-(3(S)-Acetylamino-3(S)-isobutyl-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-2-hydroxy-3-benzylamino-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-((S)-*sec*-butyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-benzyl-2-hydroxy-3-(3-fluoro,5-(trifluoromethyl)benzylamino)-propyl]-4-phenyl-butyramide;

2-(3(S)-Acetylamino-3(S)-isobutyl-2-oxo-pyrrolidin-1-yl)-N-[(1S, 2R)-1-benzyl-3-(2-cyano-ethylamino)-2-hydroxy-propyl]-4-phenyl-butyramide;

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(2-methoxyphenyl)-butyramide;

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(3,4-methylenedioxyphenyl)-butyramide;

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(3-fluorophenyl)-butyramide;

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(4-fluorophenyl)-butyramide; and

(2S)-2-(3(S)-acetylamino-3-(cyclopropylmethyl)-2-oxo-pyrrolidin-1-yl)-*N*-[(1S, 2R)-1-(3,5-difluorobenzyl)-2-hydroxy-3-(3-methoxybenzylamino)-propyl]-4-(3-methoxyphenyl)-butyramide;

or a pharmaceutically acceptable salt thereof.

7. A pharmaceutical composition for the treatment of disorders responsive to the inhibition of β-amyloid peptide production comprising a therapeutically effective amount of a compound of claim 1 in association with a pharmaceutically acceptable carrier or diluent.

8. A method for the treatment of disorders responsive to the inhibition of β-amyloid peptide production in a mammal in need thereof, which comprises administering to said mammal a therapeutically effective amount of a compound of claim 1.

9. A method of of claim 8 wherein said disorder is Alzheimer's Disease, cerebral amyloid angiopathy and Down's Syndrome.